

## At what cost of carbon does it make sense - write or wrong question?

Written by

Sunday, 02 March 2008 01:02

---

[Salon](#) has an article that asks when solar power makes sense, quoting papers by Wheeler and Borenstein. "figuring out the carbon dioxide price point at which a particular renewable source of energy becomes cost-competitive with a fossil-fuel energy source is critical. If it's \$600 per ton, forget about it. If it's \$30, full speed ahead." The thing missing from the article is the cost-curves of the different technologies. If you look at CURRENT cost of the technology, and CURRENT price of carbon then much of renewable energy is uncompetitive. The trick is to watch the cost-curve, what is the price decline in the technology. For example large-scale Wind is currently cheaper than distributed Solar. BUT wind is only decreasing in cost slowly, while solar is decreasing quickly (both through changes in technology, and volumes of production. With Ross Garnaut (Australian equivalent of the Stern report) calling for cuts of 70-90% by 2050; and other scientific studies saying zero emissions is the only way to avoid dangerous climate change, we could be estimating that carbon gets very expensive indeed. The question then becomes at what point in the future does it become competitive presuming massive production volumes of whatever the technology is.